

NEWS

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FOR IMMEDIATE RELEASE
Jan. 10, 2007

Stockbroker Pleads Guilty to Stock Fraud Conspiracy

(More)

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NEWARK – A stockbroker pleaded guilty today to his role in a scheme to manipulate the stock market and defraud investors, many of whom resided in New Jersey, U.S. Attorney Christopher J. Christie announced.

Robert M. Montani, Jr., 45, of Valley Forge, Pa., pleaded guilty before U.S. District Judge William J. Martini to an Indictment charging Montani with conspiracy to commit securities fraud and wire fraud. Montani admitted that while working as a stockbroker and compliance officer at his former employer, Bryn Mawr Investment Group/Valley Forge Securities, he agreed with his boss, Tonino Labella, and other brokers to manipulate the price of two publicly traded stocks.

Opening arguments were scheduled to begin this morning for Montani's trial on the charges until he elected to plead guilty. Labella pleaded guilty in federal court on Oct. 26, 2006 to the same conspiracy charge as Montani and a separate count of wire fraud. Labella awaits sentencing.

After the criminal activity but before the federal Indictment was returned in January 2005, Montani opened and owned his own brokerage firm, Valley Forge Investment Group, which he still runs in Rosemont, Pa. The Montani firm is at the same address as the brokerage referred to in the Indictment.

At his plea hearing today, Montani admitted that he convinced his family friends and golfing partners, among others, to invest in stocks that he knew his boss owned and manipulated, and that he skimmed an undisclosed 30 percent commission off the top. Montani also admitted that he moved his illegal gains offshore and then provided falsified documents to the IRS to avoid paying taxes on the excessive commissions that he had stashed in the Bahamas.

Judge Martini scheduled sentencing for April 18. Montani has been released on bail, in the meantime, on a \$100,000 secured bond.

The conspiracy charge to which Montani pleaded guilty – Count One of the Indictment – carries a statutory maximum penalty of five years in prison and a fine of \$250,000. However, under the advisory U.S. Sentencing Guidelines, Montani faces a probable sentencing range of between 33 and 41 months in federal prison.

In determining the sentence, Judge Martini will consult the advisory sentencing guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence and can sentence within, above or below the guidelines range.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

The guilty plea of Montani results from a combined investigation conducted by the FBI, the IRS Criminal Investigation Division, the Securities and Exchange Commission, and the New Jersey Bureau of Securities. Christie credited Special Agents of the FBI's Newark Division, under the direction of Special Agent in Charge Leslie G. Wiser, Jr. and Special Agents of the IRS Criminal Investigation Newark Field Office, under the direction of Special Agent in Charge Patricia J. Haynes.

The case is being prosecuted by Assistant U.S. Attorneys Nancy Hoppock, Deputy Chief of the Criminal Division, and Jill S. Andersen.

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Defense Counsel: Stewart Orden, Esq.